to carry out all or a portion of a program to which a Selected Acquisition Report is required at any time and that include an econ me price adjustment clause to provide adjustments in contract prices to compensate for inflation

(3) A discussion of the relationship between the rate of actual inflation experienced under contracts referred to in clause 12) and the rate of inflation determined under the methodology referred to in clause (1) for determining the inflation index to be used in calculating the inflation rate for major weapon system accounts

(d) DEADLINE FOR REPORT.—The report required under this section shall be submitted not later than February 1, 1987.

(c) DEFINITION.—For purposes of this section, the term "Selected Acquisition Report" means a report referred to in section 2432 of title 10. United States Code (as redesignated by section 101 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)).

#### SEC. 1309. DEBT COLLECTION

(a) In GENERAL.—Chapter 165 of title 10, United States Code, is amended by adding at the end the following new section:

#### "#2780. Debt collection

"(a)(1) Subject to paragraph (2), the Secretary of Defense shall enter into one or more contracts with a person for collection services to recover indebtedness owed to the United States (arising out of activities related to Department of Defense) that is delinquent by more than three months.

"(2) The authority of the Secretary to enter into a contract under this section for any fiscal year is subject to the availability of appropriations.

"(3) Any such contract shall provide that the person submit to the Secretary a status report on the person's success in collecting such debts at least once each six months. Section 3718 of title 31 shall apply to any such contract, to the extent not inconsistent with this subsection.

"(b) The Secretary shall disclose to consumer reporting agencies, in accordance with paragraph (1) of section 3711(f) of title 31. information concerning any debt described in subsection (a) of more than \$100 that is delinquent by more than 31 days."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

## "2780 Debt collection.".

## SEC. 1318. CONTINGENT REDUCTION OF AUTHORIZA-TION OF APPROPRIATIONS

(a) Contingency.—Notwithstanding any other provision of this Act, the amounts authorized to be appropriated by this Act are reduced by the amounts specified in subsection (b) unless a law appropriating funds to or for the military functions of the Department of Defense for fiscal year 1987 provides—

(1) that basic pay, basic allowance for quariers, and basic allowance for subsistence of members of the uniformed services are to be paid on the first day of the month following the month for which the pay and allowances are accrued, or

(2) a reduction in progress payments paid to Department of Defense contractors.

(b) AUTHORIZATIONS TO BE REDUCED.—The amounts authorized to be appropriated in the title of this Act specified in the following table in the left-hand column are reduced by the amount specified opposite such title in the right-hand column:

Authorizations in Which Reductions Are To Be Made	Amount of Reduction
Division A	
Title I (Procurement)	\$3,008.000.000
ment. Test, and Evaluation). Title III (Operations and	\$1.174,000,000
Maintenance!	\$1,602,000,000
Division B	W1,001,000,000
Title VI Division C	\$166,000,000
Title I (Department of Energy	
National Security Pro-	
grams)	\$167,000.000

(C) CONTINGENT REDUCTION IN PAY INCREASE.—Subject to the condition specified in subsection (a), the percentage of the increase in basic pay, basic allowance for quarters, and basic allowance for resubsistence for members of the uniformed services, and the increase in pay for cadets and midshipmen, specified in sections 601(b) and 601(c), respectively, of this Act is hereby reduced from 3 percent to 2 percent.

# PART B—SPECIAL OPERATIONS MATTERS SEC. 1311. SPECIAL OPERATIONS PORCES

(a) Assistant Secretary of Defense.—Section 136(b) of title 10. United States Code (as amended by section 106 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986), is amended by adding at the end the following new paragraph:

"(4) One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict. He shall have as his principal duty the overall supervision (including operaight of policy and resources) of special operations activities (as defined in section 167(j) of this title) and low intensity conflict activities of the Department of Defense."

the Department of Defense.".

(b) UNIFIED COMMATANT COMMAND.—(1)
Chapter 6 of such title (as added by section
211 of the Goldwater-Nichols Department of
Defense Reorganization Act of 1986 (Public
Law 99-433)) is amended by adding at the
end the following new section:

# "\$167. Unified combatant command for special operations forces

"(a) ESTABLISHMENT.—With the advice and assistance of the Chairman of the Joint Chiefs of Staff, the President, through the Secretary of Defense, shall establish under section 161 of this title a unified combatant command for special operations forces (hereinafter in this section referred to as the special operations command). The principal function of the command is to prepare special operations forces to carry out assigned missions.

"(b) ASSIGNMENT OF FORCES.—Unless otherwise directed by the Secretary of Defense, all active and reserve special operations forces of the armed forces stationed in the United States shall be assigned to the special operations command.

"(c) GRADE OF COMMANDER.—The commander of the special operations command shall hold the grade of general or, in the case of an officer of the Navy, admiral while serving in that position, without vacating his permanent grade. The commander of such command shall be appointed to that grade by the President, by and with the advice and consent of the Senate, for service in that position.

"(d) COMMAND OF ACTIVITY OR MISSION.—(1)
Unless otherwise directed by the President
or the Secretary of Defense, a special operations activity or mission shall be conducted under the command of the commander of
the unified combalant command in whose
geographic area the activity or mission is to
be conducted.

"(2) The commander of the special operations command shall exercise command of a selected special operations mission if directed to do so by the President or the Secretary of Defense.

"(e) AUTHORITY OF COMBATANT COMMAND-ER.—(1) In addition to the authority prescribed in section 164(c) of this title, the commander of the special operations command shall be responsible for, and shall have the authority to conduct, all affairs of such command relating to special operations activities, including the following functions:

"(A) Developing strategy, doctrine, and tactics.

"(B) Training assigned forces.

"(C) Conducting specialized courses of instruction for commissioned and noncommissioned officers.

"(D) Validating requirements.

"(E) Establishing priorities for requirements.

"(F) Ensuring combat readiness.

"(G) Developing and acquiring special operations-peculiar equipment and acquiring special operations-peculiar material, supplies, and services.

"(H) Ensuring the interoperability of equipment and forces.

"(I) Formulating and submitting requirements for intelligence support.

"(J) Monitoring the promotions, assignments, retention, training, and professional military education of special operations forces officers.

"(2) The commander of such command shall be responsible for monitoring the preparedness of special operations forces assigned to other unified combatant commands to carry out assigned missions.

"(f) BUDGET.—In addition to the activities of a combatant command for which funding may be requested under section 165(b) of this title, the budget proposal of the special operations command shall include requests for funding for—

"(1) development and acquisition of special operations-peculiar equipment; and

"(2) acquisition of other material, supplies, or services that are peculiar to special operations activities.

"(g) INTELLIGENCE AND SPECIAL ACTIVISES.—
This section does not constitute authority to conduct any activity which, if carries out as an intelligence activity by the Department of Defense, would require.

"(1) a finding under section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 3422);

"(2) a notice to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives under section 501(a)(1) of the National Security Act of 1947 (50 U.S.C. 413).

"(h) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the activities of the special operations command. Such regulations shall include authoristion for the commander of such minuted to provide for operational security of special operations forces and activities."

"(i) IDENTIFICATION OF SPECIAL OPERATIONS FORCES.—(1) Subject to paragraph (2), for the purposes of this section special operations forces are those forces of the armed forces that—

"(A) are identified as core forces or as augmenting forces in the Joint Chiefs of Staff Joint Strategic Capabilities Plan, Annex E, dated December 17, 1985;

"(B) are described in the Terms of Reference and Conceptual Operations Plan for the Joint Special Operations Command, as in effect on April 1, 1986; or

"C' are designated as special operations

forces by the Secretary of Defense.
"(2) The Secretary of Defense, after consulting with the Chairman of the Joint Chie's of Staff and the commander of the special operations command, may direct that any force included within the description in paragraph (1)(A) or (1)(B) shall not be considered as a special operations force for the purposes of this section

"(1) Seecial Operations Activities.-For purposes of this section, special operations activities include each of the following insofar as il relates to special operations:

"(1) Direct action.

- "(2) Strategic reconnaissance
- "(3) Unconventional warfare. "(4) Foreign internal defense.
- "(5) Civil affairs.
- "(6) Psychological operations
- "(7) Counterterrorism.
- "(8) Humanitarian assistance.
- "(9) Theater search and rescue.
- (10) Such other activities as may be specified by the President or the Secretary of Defense
- (2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:
- "167. Unified combatant command for special operations forces."
- (c) MAJOR FORCE PROGRAM CATEGORY .- The Secretary of Defense shall create for the special operations forces a major force program category for the Five-Year Defense Plan of the Department of Defense. The Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, with the advice and assistance of the commander of the special operations command, shall provide overall supervision of the preparation and justification of program recommendations and budget proposals to be included in such major force program category.

(d) PROGRAM AND BUDGET EXECUTION.-To the extent that there is authority to revise programs and budgets approved by Congress for special operations forces, such authority may be exercised only by the Secretary of Defense, after consulting with the commander of the special operations command.

(e) GRADE FOR COMMANDERS OF CERTAIN AREA SPECIAL OPERATIONS COMMANDS.-The commander of the special operations command of the United States European Command, the United States Pacific Command, and any other unified combatant command that the Secretary of Defense may designate for the purposes of this section shall be of general or flag officer grade.

(f) BOARD FOR LOW INTENSITY CONFLICT. Section 101 of the National Security Act of 1947 (50 U.S.C. 402) is amended by adding at the end the following new subsection:

(f) The President shall establish within the National Security Council a board to be known as the Board for Low Intensity Conflict'. The principal function of the board shall be to coordinate the policies of the United States for low intensity conflict.

(g) DEPUTY ASSISTANT TO THE PRESIDENT FOR MAL SECURITY AFFAIRS FOR LOW INTENSI-TY CON LICT.—It is the sense of Congress that resident should designate within the Executive Office of the President a Deputy Assistant to the President for National Security Affairs to be the Deputy Assistant for Low Intensity Conslict.

(h) REPORTS.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the plans of the Secretary for implementation of this section, including a description of the progress made on such implementation.

(2) Not later than one year after the date of the enactment of this Act, the President shall transmit to Congress a report on the capabilities of the United States to conduct special operations and engage in low intensity conflicts. The report shall include a description of the following:

(A) Deficiencies in such capabilities.

(B) Actions being taken throughout the executive branch to correct such deficiencies

(C) The principal low intensity conflict threats to the interests of the United States.

(D) The actions taken and to be taken to implement this section.

(h) EFFECTIVE DATE.-Section 167 of title 10, United States Code (as added by subsection (b)), shall be implemented not later than 180 days after the date of the enactment of this Act.

(i) FUNDING FOR FISCAL YEAR 1987.-The Secretary of Defense may spend unobligated funds appropriated to the Department of Defense for fiscal years before fiscal year 1987 in such sums as necessary in order to carry out this section and section 167 of title 10, United States Code (as added by subsection (b)), during fiscal year 1987.

SEC. 1312. SPECIAL OPERATIONS AIRLIFT

(a) MODIFICATION OF EXISTING AIRCRAFT. Of the funds appropriated for fiscal year 1987 for modification of Air Force aircraft, \$106,500,000 shall be available only for the modification of CH/HH-53 airframes to the "PAVE LOW" enhanced configuration.

(b) DEVELOPMENT OF HELICOPTER VAR-IANTS.—(1) The Secretary of the Army shall proceed, through full and open competition, with development of an MH-47 variant of the CH-47 helicopter. The Secretary shall be designated as the executive agent for a joint services development program for a special operations/combat rescue variant of the HH/MH-60 helicopter.

(2) In conducting such development under

paragraph (1), the Secretary shall ensure—
(A) that there is developed one baseline H-60 aircraft capable of operations from both land and shipboard;

(B) that there is maximum practicable logistics commonality among those aircraft to be procured by either the Army, Navy, or Air Force and that the contract for acquisition of the joint services aircraft assures maximum economic-order quantity benefits to the United States; and

(C) that there is maximum practicable commonality between the avionics architecture selected for the HH/MH-60 variant aircraft and the MH-47 variant aircraft.

(3) Upon successful development and test of the MH-47 aircraft, the Secretary of De-fense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on such development and testing. Such report shall include the Secretary's recommendation as to whether the replacement for the HH-53 aircraft as the long-range, strategic rotary-wing aircraft for the Armed Forces should be the MH-47 aircraft or a special operations/combat rescue variant of the CV-22A aircraft (or another advanced-technology aircraft). If the recommendation of the Secretary is in favor of the CV-22A aircraft (or another advancedtechnology aircraft), the Secretary of the Army may justify in the budget planning process procurement of the MH-47 aircraft as necessary to fill immediately the heavylift mission requirements of the Special Operations Aviation Brigade of the Army.

(4) Upon successful development and test of the HH/MH-60 helicopter under paragraph (1), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing a detailed acquisition strategy for such helicopter. Such acquisition strategy shall-

(A) provide for timely and adequate pro-curement of the HH/MH-60 aircraft for the

Special Operations Aviation Brigade of the Army and for aviation detachments assigned to individual Special Forces groups.

(B) provide for timely and adequate procurement of the HH/MH-60 aircraft for support of naval special warfare units and for fleet combat search and rescue missions:

- (C) provide for timely and adequate replacement for theater special operations combat search and rescue HH-3 helicopters of the Air Force with the HH/MH-60 helicopter.
- (c) REQUIREMENTS OF SPECIAL OPERATIONS COMMANDER. - (1) The commander of the unified combatant command established pursuant to section 167 of title 10, United States Code (as added by section 1311), shall develop a plan to meet the immediate strategic special operations airlift requirements.
- (2) The Secretary of Defense, after consultation with the commander of such command, shall submit to Congress a report, no later than June 1, 1987, setting forth the funding requirements necessary to implement during fiscal year 1988 the plan developed under paragraph (1).

PART C-AUTHORIZATION OF PAYMENT OF CER-TAIN EXPENSES WITH RESPECT TO DEVELOP-ING COUNTRIES

SEC. 1321. AUTHORITY TO PAY EXPENSES OF DEVEL-OPING COUNTRIES FOR PARTICIPATION IN COMBINED MILITARY EXERCISES

(a) AUTHORITY TO PAY EXPENSES. -(1) Chapter 101 of title 10, United States Code. is amended by adding at the end the following new section:

"82010. Participation of developing countries in combined exercises: payment of incremental ex-Benses

"(a) The Secretary of Defense, after consultation with the Secretary of State, may pay the incremental expenses of a developing country that are incurred by that country as the direct result of participation in a bilateral or multilateral military exercise if-

"(1) the exercise is undertaken primarily to enhance the security interests of the United States; and

"(2) the Secretary of Defense determines that the participation by such country is necessary to the achievement of the fundamental objectives of the exercise and that those objectives cannot be achieved unless the United States provides the incremental expenses incurred by such country.

(b) The Secretary of Defense shall submit to Congress a report each year, not later than March 1, containing-

"(1) a list of the developing countries for which expenses have been paid by the United States under this section during the preceding year; and

"(2) the amounts expended on behalf of each government.

"(c) The Secretary of Defense shall establish by regulation such accounting procedures as may be necessary to ensure that funds expended under this section are properly expended.

"(d) In this section, the term 'incremental expenses' means the reasonable and proper cost of the goods and services that are consumed by a developing country as a direct result of that country's participation in a bilateral or multilateral military exercise with the United States, including rations, fuel, training ammunition, and transportation. Such term does not include pay, allowances, and other normal costs of such country's personnel.

"(e) Not more than \$13,400,000 may be obligated or expended for the purposes of this section during fiscal years 1987 through 1991."